



FISCAL MEMORANDUM

HB 2103 - SB 2570

February 28, 2022

SUMMARY OF BILL AS AMENDED (014513): Eliminates the requirement for licensed funeral directors to register with the Department of Commerce and Insurance (DCI) as a pre-need sales agent to sell or offer pre-need funeral contracts. Clarifies the meaning of interactive virtual program related to continuing education coursework as a continuous two-way transfer of information between the licensee and the provider's point of origin.

FISCAL IMPACT OF BILL AS AMENDED:

**Decrease State Revenue – Exceeds \$23,000/FY22-23 and Subsequent Years/
Board of Funeral Directors and Embalmers**

Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-sufficient over any two-year period. The Board of Funeral Directors & Embalmers experienced a surplus of \$181,254 in FY19-20, a deficit of \$138,788 in FY20-21, and had a cumulative reserve balance of \$1,130,586 on June 30, 2021.

Assumptions for the bill as amended:

- Eliminating the registration requirement will decrease renewal fees revenue to the Board of Funeral Directors and Embalmers (Board).
- According to the DCI, approximately 300 pre-need sales agents are also licensed as funeral directors.
- An initial application fee of \$50.
- At least 10 applicants annually will no longer apply for the pre-need sales agent license.
- A recurring decrease in state revenue to the Board exceeding \$500 (10 x \$50).
- Pre-need sales agents pay a \$150 renewal fee every two years.
- A recurring decrease in state revenue to the Board of \$22,500 [(300 x \$150)/ 2 years].
- A total recurring decrease in state revenue to the Board exceeding \$23,000 (\$500 + \$22,500).
- The Board can accomplish the necessary rulemaking within existing resources.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-sufficient over any two-year period. The Board of Funeral Directors & Embalmers experienced a surplus of \$181,254 in FY19-20, a deficit of \$138,788 in FY20-21, and had a cumulative reserve balance of \$1,130,586 on June 30, 2021.

IMPACT TO COMMERCE OF BILL AS AMENDED:

Decrease Business Expenditures - \$23,000/FY22-23 and Subsequent Years

Assumptions for the bill as amended:

- A total recurring decrease in business expenditures of \$23,000 for funeral directors and embalmers in FY22-23 and subsequent years.
- No impact to jobs in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/lm